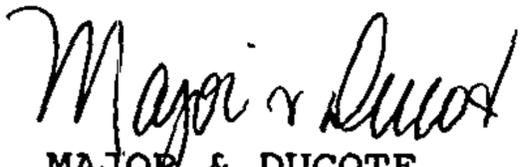


Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.  
Page 2  
November 15, 1996

In planning and performing our audit of the financial statements of the Avoyelles Society for the Developmentally Disabled, Inc. for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide such an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the board of directors, management, and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

  
MAJOR & DUCOTE  
Marksville, Louisiana

November 15, 1996

**AVOYELLES SOCIETY FOR  
 THE DEVELOPMENTALLY DISABLED, INC.**  
**Notes to Financial Statements (Continued)**  
**June 30, 1996**

**NOTE B - GRANTS**

The Society participated in six grants for the year ended June 30, 1996:

Federal/State Grant - Medical Assistance Program MR/DD Waiver Services	\$ 7,483
Federal/State Grant - Rehabilitation Program	6,150
State of Louisiana Grant - Department of Health and Hospitals Title XX Adult Day Programs	194,092
Federal Grant - Urban Mass Transportation Grant	Non Cash
Federal Grant - JTPA Title II Program	Non Cash
Federal Grant - JTPA Native American Program	Non Cash

**NOTE C - FIXED ASSETS**

A summary of fixed assets is as follows:

	<u>Balance</u> <u>June 30, 1995</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 1996</u>
Furniture & fixtures	\$ 5,683	\$ 389	\$ -	\$ 6,072
Machinery & equipment	21,842	296	-	22,138
Transportation equipment	<u>12,440</u>	<u>8,360</u>	<u>-</u>	<u>20,800</u>
	39,965	<u>\$ 9,045</u>	<u>\$ -</u>	49,010
Accum Depr	<u>(21,575)</u>	<u>7,899</u>	<u>-</u>	<u>( 29,474)</u>
Net fixed assets	<u>\$ 18,390</u>			<u>\$ 19,536</u>

**AVOYELLES SOCIETY FOR  
THE DEVELOPMENTALLY DISABLED, INC.  
Notes to Financial Statements  
June 30, 1996**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Avoyelles Society for the Developmentally Disabled, Inc. is a nonprofit organization exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code. The Society was formed in 1968 to provide day services for and assistance to the adult handicapped residents of Avoyelles Parish, Louisiana. The Society participates as a provider agency in the Department of Health & Hospitals Title XX Day Developmental training services.

Basis of Accounting

The Society maintains its accounting records on the accrual method of accounting, except that membership dues and donations are included in support in the period received.

Fixed Assets

Fixed assets are recorded at cost. Assets are depreciated over their estimated useful lives using the straight-line method, using the following lives:

Furniture & fixtures	3 - 5 years
Machinery & equipment	5 - 8 years
Vans	4 years

Donated Services

Donated labor is valued at the minimum wage rate in effect at the time of the donated services. Professional time which is donated is valued at the current market rate of the specific project.

Cash and cash equivalents

For purposes of the statement of cash flows, the Society considers all unrestricted, highly liquid investments with an initial maturity of less than three months as cash and cash equivalents.

**AVOUELLES SOCIETY FOR  
 THE DEVELOPMENTALLY DISABLED, INC.  
 Statement of Cash Flows  
 Year Ended June 30, 1996**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Decrease in net assets	\$ (21,064)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	7,899
(Increase) decrease in operating assets:	
Deposits	8,360
Accounts receivable	2,376
Increase (decrease) in operating liabilities:	
Accounts payable	(276)
Accrued expenses	<u>28</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><b>(2,677)</b></u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Payments for purchases of property and equipment	<u>(9,048)</u>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u><b>(9,048)</b></u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(11,725)</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u><b>35,514</b></u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u><b>\$ 23,789</b></u>

See accompanying notes to financial statements.

**AVOUELLES SOCIETY FOR  
 THE DEVELOPMENTALLY DISABLED, INC.**  
**Statement of Activities**  
**Year ended June 30, 1996**

Unrestricted Net Assets:

Support:

Dues and donations	\$ 440
Interest earned	307
Client service	47,302
Grants	207,725
In-kind Revenues	206
Miscellaneous Revenue	<u>2,658</u>

Total support 258,638

Expenses:

Program services:

Adult day services	221,895
Client service activities	57,601
In-kind expenditures	<u>206</u>

Total program services 279,702

Increase (decrease) in  
unrestricted net assets (21,064)

Net assets, beginning of year 79,036

Net assets, end of year \$ 57,972

See accompanying notes to financial statements.

**AVOUELLES SOCIETY FOR  
 THE DEVELOPMENTALLY DISABLED, INC.**  
**Statement of Financial Position**  
**June 30, 1996**

**ASSETS**

**Current Assets:**

Cash and interest-bearing accounts	\$ 23,789
Accounts receivable - grants	<u>16,647</u>
Total current assets	<u>40,436</u>

**Fixed Assets:**

Furniture and fixtures	6,072
Machinery and equipment	22,138
Transportation equipment	<u>20,800</u>
	49,010
Less accumulated depreciation	<u>(29,474)</u>
Net fixed assets	<u>19,536</u>

Total Assets	\$ <u>59,972</u>
--------------	------------------

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable	\$ 1,089
Accrued expenses	<u>914</u>

Total current liabilities	<u>2,003</u>
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Total Liabilities	2,003
-------------------	-------

Net Assets	<u>57,969</u>
------------	---------------

Total Liabilities and Net Assets	\$ <u>59,972</u>
----------------------------------	------------------

See accompanying notes to financial statements.

Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.  
Page 2  
November 15, 1996

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Avoyelles Society for the Developmentally Disabled, Inc. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Major & Ducote*  
MAJOR & DUCOTE  
Marksville, Louisiana

November 15, 1996

**Major & Ducote**  
Certified Public Accountants

VAN P. MAJOR, CPA, PC  
ALOYSIA C. DUCOTE, CPA, PC  
JOAN S. DUCOTE, CPA, PC  
JOHN L. MORRISON, III, CPA, PC

MEMBERS:  
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SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report**

To the Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.  
Marksville, Louisiana

We have audited the accompanying statement of financial position of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) as of June 30, 1996, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations." Those standards and Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Avoyelles Society for the Developmentally Disabled, Inc. as of June 30, 1996, and the changes in its net assets and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 15, 1996 on our consideration of Avoyelles Society of the Developmentally Disabled, Inc.'s internal control structure and a report dated November 15, 1996 on its compliance with laws and regulations.

**AVOYELLES SOCIETY FOR  
THE DEVELOPMENTALLY DISABLED, INC.**

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**Major & Ducote**  
Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF  
BASIC FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.

We have audited the financial statements of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) for the year ended June 30, 1996, and have issued our report thereon dated November 15, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Avoyelles Society for the Developmentally Disabled, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or a disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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**AVOYELLES SOCIETY FOR  
THE DEVELOPMENTALLY DISABLED, INC.**

**FINANCIAL STATEMENTS  
JUNE 30, 1996**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court

Release Date DEC 18 1996

**MAJOR & DUCOTE**  
Certified Public Accountants  
P. O. Box 309  
219 North Washington St.  
Marksville, LA 71351

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**SUPPLEMENTARY INFORMATION**

AVOUELLES SOCIETY FOR  
THE DEVELOPMENTALLY DISABLED, INC.  
Notes to Financial Statements (Continued)  
June 30, 1996

NOTE D - GRANTS RECEIVABLE

Grants and contracts receivable are deemed to be fully collectible by management and are comprised of the following amounts due at June 30, 1996:

Dept of Health & Hospitals - MR/DD Waiver Services	\$ 1,100
Dept of Social Services - Rehabilitation Program	2,360
Dept of Health & Hospitals - Adult Day Program	<u>13,187</u>
	<u>\$ 16,647</u>

NOTE E - SUBSEQUENT EVENTS

On April 25, 1996, the Society entered into an irrevocable letter of credit for \$9,600, which expires on April 26, 1997. The purpose of the letter of credit is to obligate a source of funds for the required 30% local match for a Federal Urban Mass Transportation Capital Improvement Grant application.

The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles and that federal award programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal program awards in the following categories:

- \* Cash
- \* Support, Program service fees, revenues, and receivables
- \* Expenses for program services and accounts payable
- \* Payroll and related liabilities
- \* Property and equipment
- \* Debt and other liabilities
- \* Fund balance
- \* Governmental financial assistance programs:

-General requirements:

- Political activity
- Civil rights
- Drug-free work place

-Specific requirements:

- Eligibility
- Services Allowed or Unallowed

For all of the internal control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

# Major & Ducote

Certified Public Accountants

VAN P. MAJOR, CPA, PC  
ALOYSIA C. DUCOTE, CPA, PC  
JOAN S. DUCOTE, CPA, PC  
JOHN L. MORRISON, III, CPA, PC

MEMBERS:  
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CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.

We have audited the financial statements of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) for the year ended June 30, 1996, and have issued our report thereon dated November 15, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and provisions of Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Avoyelles Society for the Developmentally Disabled, Inc. is the responsibility of Avoyelles Society for the Developmentally Disabled, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Avoyelles Society for the Developmentally Disabled, Inc.'s compliance with certain provision of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclose no instances of noncompliance that are required to be reported under Governmental Auditing Standards.

OTHER REPORT REQUIRED BY  
GOVERNMENTAL AUDITING STANDARDS

The following pages contain reports on the internal control structure and compliance with laws and regulations required by Governmental Auditing Standards, issued by the Comptroller General of the United States. The report on internal control structure is based on the audit of the financial statements and include, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.  
Page 2  
November 15, 1996

This report is intended for the information of the board of directors, management, and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

*Major & Ducote*  
MAJOR & DUCOTE  
Marksville, Louisiana

November 15, 1996

OTHER REPORTS REQUIRED BY  
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133

The following pages contain reports on the Schedule of Federal Program Awards, and on internal control and compliance with laws and regulations required by OMB, Circular A-133. The report on the internal accounting and administrative controls relates to matters that could be significant and/or material to federal program awards. The report on compliance with laws and regulations is, likewise, related to test of compliance with laws and regulations relating to federal program awards.

# Major & Ducote

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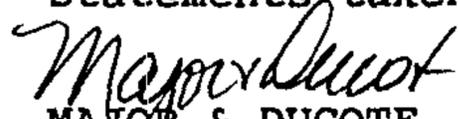
## INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF FEDERAL PROGRAM AWARDS

To the Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.

We have audited the financial statements of Avoyelles Society for the Developmentally Disabled, Inc., (a nonprofit organization), for the year ended June 30, 1996 and have issued our report thereon dated November 15, 1996. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Avoyelles Society for the Developmentally Disabled, Inc. taken as a whole. The accompanying Schedule of Federal Program Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

  
MAJOR & DUCOTE  
Marksville, Louisiana  
November 15, 1996

**AVOYELLES SOCIETY FOR  
 THE DEVELOPMENTALLY DISABLED, INC.  
 Schedule of Federal Program Awards  
 For the Year Ended June 30, 1996**

<u>Federal Grantor/ Pass-through Grantor/ Disbursements/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U S Department of Labor</u>		
Passed through LaSalle Work Employment Center: JTPA Title II Program	17.250	\$ 538
Passed through Intertribal Council of Louisiana: Job Training Partnership Act/Native American Program	17.251	3,931
<u>U. S. Department of Education</u>		
Passed through State of Louisiana Department of Social Services: Rehabilitation Services for Supportive Employment	84.126	4,840
<u>U.S. Department of Health and Human Services</u>		
Passed through State of Louisiana Department of Health and Hospitals: Medical Assistance Program (MR/DD Waiver)	93.778	5,398
<u>U S Department of Transportation</u>		
Passed through State of Louisiana Department of Transportation & Development: Federal Urban Mass Transit Capital Improvement Grant	20.500	<u>19,506</u>
		<u>\$ 34,213</u>

**Major & Ducote**  
Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL  
CONTROL STRUCTURE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

To the Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.

We have audited the financial statements of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) for the year ended June 30, 1996, and have issued our report thereon dated November 15, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of Avoyelles Society for the Developmentally Disabled, Inc. for the years ended June 30, 1996, we considered the internal control structure of the Avoyelles Society for the Developmentally Disabled, Inc. in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements of the Avoyelles Society for the Developmentally Disabled, Inc. and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal awards. We have addressed internal control policies and procedures relevant to our audit of the financial statements in a separate report dated November 15, 1996.

The management of Avoyelles Society for the Developmentally Disabled, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures.

.....  
Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.  
Page 2  
November 15, 1996

This report is intended for the information of the board of directors, management, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

*Major & Ducote*  
MAJOR & DUCOTE  
Marksville, Louisiana

November 15, 1996

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CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO  
NONMAJOR FEDERAL PROGRAM AWARDS**

To the Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.

We have audited the financial of Avoyelles Society for the Developmentally Disabled, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated November 15, 1996.

In connection with our audit of the June 30, 1996 financial statements of Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization), and with our study and evaluation of the Avoyelles Society for the Developmentally Disabled, Inc.'s internal control systems used to administer federal award programs, as required by Office of management and Budget Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations," we selected certain transactions applicable to certain nonmajor federal program awards for the year ended June 30, 1996.

As required by Circular A-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Avoyelles Society for the Developmentally Disabled, Inc.'s compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Avoyelles Society for the Developmentally Disabled, Inc. had not complied, in all material respects, with those requirements.

Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.  
Page 2  
November 15, 1996

This report is intended for the information of the board of directors, management, and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

*Major & Ducote*  
MAJOR & DUCOTE  
Marksville, Louisiana

November 15, 1996

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CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE  
TO FEDERAL PROGRAM AWARDS**

To the Board of Directors  
Avoyelles Society for the Developmentally Disabled, Inc.

We have audited the financial statements of the Avoyelles Society for the Developmentally Disabled, Inc. (a nonprofit organization) for the year ended June 30, 1996, and have issued our report thereon dated November 15, 1996.

We have applied procedures to test the compliance of Avoyelles Society for the Developmentally Disabled, Inc. with the following requirements applicable to its federal program awards, which are identified in the accompanying Schedule of Federal Program Awards, for the year ended June 30, 1996:

- \*Political activity
- \*Civil rights
- \*Drug free workplace

Our procedures were limited to the applicable procedures described in the Office of Management Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Avoyelles Society for the Developmentally Disabled, Inc. compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Avoyelles Society for the Developmentally Disabled, Inc. had not complied, in all material respects, with those requirements.

Board of Directors  
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During the year ended June 30, 1996, Avoyelles Society for the Developmentally Disabled, Inc. had no major federal financial assistance programs and expended 57% of its total federal financial assistance under the following nonmajor federal award program:

\*Federal Urban Mass Transit Capital Improvement Grant

We performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal awards would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level risk that noncompliance with laws and regulations that would be material to a federal award program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of the board of directors, management and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.

  
MAJOR & DUCOTE  
Marksville, Louisiana

November 15, 1996